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A discussion of the economic barriers preventing equality of opportunity in higher education. Data are given on family incomes and college costs, and on the relationship between proximity of college to attendance rates, as reported by the Michigan Legislative Study Committee on Higher Education.

Various student loan plans and proposals are discussed but are not favored by the author as a general solution for lowering costs to students.

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Supplement A to
Informational Item #44

ASSESSMENT OF CURRENT TRENDS OF OPPORTUNITY FOR HIGHER EDUCATION *

Joint Staff Committee for Higher Education, Univ of Wis

Algo D. Henderson

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Glancing at the huge enrollments of colleges and universities, one might ask, "Is there any question about opportunity for higher education in the United States?" We have more than doubled the number of students who were in these institutions during the years before World War II. We have several times the number of students in our colleges than has any other country in the world.

The fact that the question about opportunity is raised indicates that we have a new point of view toward the role of higher education. Formerly, college was thought of as an experience that should be available to those individuals who desired to attend and who had the requisite qualifications for admission. As of today, we have not lost sight of this view; however, we have developed two additional principles that serve as bases for the formation of policy. One, the nation should cultivate its human resources. This means that all of the youth of given talent should be sought out and encouraged to get additional education. Two, this policy should be implemented by seeing to it, in positive ways, that equal opportunity shall be given to persons irrespective of their socioeconomic status or factors of race, color, creed, or national origin. Analyses will show that whereas we have made progress toward achieving these two goals, we are also deficient in many respects in attaining them.

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* Extracted from: Higher Education - Incentives and Obstacles, American Council on Education, Washington, D.C. 1960.

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Financial Barriers

Superficially, it may appear that there is no financial problem facing the college student of today. Students in large numbers are attending college, which means that they are commanding the finances to do so. Some students have lots of money to spend--witness the thousands of student-owned automobiles. It might also be pointed out that there has been an impressive growth in the number of scholarships and the amount of loan funds available for the needy student.

Contradicting these superficial appearances are certain other facts. Sibley was able to demonstrate in New York State the high correlation between college attendance and the amount of family income.[1] Although there has been a difference of opinion as to whether the principal factor has been lack of motivation or lack of money, there has been little doubt that money is an important factor. It seems highly probable that lack of motivation for many grows out of environmental conditions which in turn reflect low family incomes.

In spite of our ongoing prosperity in the United States there are many families that include college-age children where the income is low. In 1958 half of the families of the United States had incomes below $5,050. Fourteen percent of them fell below $2,000, 22 percent were in the $2,000-$3,999 group and another 25 percent received between $4,000 and $5,999. For those families in the lower half, the sending of a boy or girl to a tuition-charging, residential college at a minimum cost of $1,200 to $1,500 a year is difficult. Having two or three children in college at a time really squeezes the pocketbook. The problem mounts still more for the 36 percent of the families with incomes below $4,000.

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[1] Elbridge Sibley, "The Relation Between College Attendance and Economic Status," Matching Needs and Facilities in Higher Education, New York Legislative Document (1948), No. 31, p. 116.

Another fact of importance is that the trend of costs to the student has been rising. According to the U.S. Office of Education, tuition and fees in 1957 as compared with 1940, the last prewar year, were higher by 89 percent in public colleges and 83 percent in private ones. [2] During the same seventeen-year period, the Bureau of Labor Statistics cost-of-living index increased from 59.5 to 117.8, or 98 percent. Thus, the increase in fees appears merely to have kept pace with the changing value of the dollar. For private institutions this may be necessary and justified. For public ones, continued increases in charges create an ever-widening departure from the principle of free public instruction. Or if one were to grant the political necessity for public institutions to assess part of the operating cost against the students, it must be recognized that the mounting cost militates against, rather than works toward, providing better opportunity for the boys and girls from lower-income families.

The increases in charges at individual institutions have, of course, varied widely. A recent study [3] of 53 private colleges in New York State and 46 state universities shows increases over the last seven years ranging from 5 to 68 percent. The basic college expenses (tuition and fees, and, in residential colleges, room and board) of undergraduate students in the 99 institutions reporting, are shown in Table 1.

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[2] Ernest V. Hollis and Associates, Costs of Attending College, U. S. Office of Education Bulletin 1957, No. 9 (Washington: Government Printing Office, 1957), p. 29.

[3] University of the State of New York, Department Fact Sheet, No. 2, 1959-60 series (September 1959).

TABLE I

Basic College Expenses Per Year Reported by 99 Institutions
Showing Increases over Seven-Year Period, 1953-59

Type of Institution	Expenses		Percent of Increase
	1953-54	1959-60	
43 private residential colleges in New York:			
Median	$1,425	$1,885	28
Range	$915-$2,466	$1,207-$2,830	8-51
10 private nonresidential colleges in New York:			
Median	$558	$793	52
Range	$427-$725	$575-$1,100	15-68
46 state universities:			
Median	$733	$898	21
Range	$504-$1,055	$675-$1,170	5-61

All institutions, both public and private, are finding it difficult to secure sufficient funds for their operating and capital construction budgets. This has put pressures on these institutions to raise the tuition charges. The increases that have been made thus far are modest in comparison with those that are being advocated in some quarters. Seymour Harris, for example, has proposed that the public colleges and universities should adjust their charges to cover 40 percent of the operating costs (a jump of 100 percent) and the private institutions should make charges that approximately cover the operating costs.[4] He believes that if students were granted credit which would enable them to pay

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4 Seymour E. Harris, "College Salaries, Financing of Higher Education, and Management of Institutions of Higher Learning," AAUP Bulletin, XLIV (September 1958), 589-95.

these bills over a long period of years, they would find it quite feasible to do so. In my judgment, the Harris type of proposal is reactionary in that it would contravene the progress made during the past century in recognizing the public interest in educating the young people of America.

Of similar nature are other practices and proposals that tend to force students to pay for the costs of buildings. The movement to have students finance dormitories by amortizing loans has become accepted practice. In a typical plan of this sort, the room rents include a 20 percent loading to provide funds from which interest and annual payments are made on the loan. This plan has been working well and many dormitories have been erected which otherwise might not have been built. I think there is reasonable justification for charging the true cost of room and board including the cost of facilities to the student. In doing so, however, we must recognize that we are adding to the financial burdens of students who do not have good incomes.

Bills have been introduced in certain of the legislatures calling for the floating of bond issues for the purpose of erecting classroom buildings and providing for the bonds to be retired from special fees levied on the students. Although such legislation has not as yet been passed, legislators who are under pressure to hold the line on taxes may become tempted with the plan. Unless the colleges and universities remain constantly alert to the dangers in this kind of move, we may find that the policy of providing educational plants through public and philanthropic funds has been modified or abandoned.

Where colleges are located near the homes of the students, additional opportunity for attendance is created. Evidence on this point may be found in the report of the Michigan Legislative Study Committee on Higher Education.[5] Relative to the college-age group, the average percentages of attendance at college

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5 Michigan Legislative Study Committee on Higher Education, Preliminary Report, March 1957, pp. 57-58.

in various types of counties were found to be the following: counties having no college, 16.0; counties having only a private college, 27.5; counties having a public community college, 32.1; counties having a state college, 39.6. In Michigan, the fees at all public colleges are modest, and commuting is a common practice. It seems clear that a public institution which has no fees or only low fees and which is so located as to enable students to live at home can supply the needs of students at a very low annual cost. To some extent, private institutions can do so. Students attending such institutions can, if need be, work their way. College becomes possible for the children of families of low income if the family can give a small amount of help, such as providing the room and board of the student.

In the above analysis, I have had principally in mind the undergraduate student. At the graduate and advanced professional levels, we have a much more serious situation. Able students from low-income families may want to go beyond the bachelor's degree. If they have the requisite ability, it is strongly in the interests of the nation to have them do so. However, most students beyond twenty-one years of age are apt to marry and, in many cases, have children. At this age and under these circumstances, the student may question whether he should expect additional help from home. In any event, his annual budget may have doubled or quadrupled. At the same time, he is foregoing the opportunity to earn a salary during these years, although he often works part time. This is a problem for the nation as well as for the individual because it is from among these students that come the future college teachers, scientists, physicians, and other professional men and creative leaders.

As noted earlier, one of the proposals for providing opportunity is to make loans to students. This appears to be an underlying philosophy of the National

Defense Education Act of 1958. Congress made certain provision for loans to students and some provision for graduate fellowships, but eliminated from the bill the proposal for scholarships. The National Defense Education Act is a definite step forward. It is an additional recognition on the part of our Federal Government of partial responsibility for the financing of some aspects of higher education. It is a recognition of some responsibility to extend financial aid to college students in encouraging the development of our human resources. The loan program has been reasonably successful, partly because the funds available at any one institution are small. It has especially appealed to students who are aiming toward teaching careers and thus have a prospect of having 50 percent of the loan canceled.

The idea of student loans is enticing. We borrow money with which to build homes, buy automobiles, and install television sets. Why should not families do the same in helping their children to become educated? If banks and insurance companies can make loans successfully for the purchase of goods, could they not do so with equal success in making loans to young people who have promising careers ahead? In view of anticipated increased income during his lifetime as a result of his study, could not the student well afford to borrow money in order to secure the necessary training?

Although loan funds may help selected individuals, I am personally dubious about them as any general solution to the problem of finances. At institutions where there have been substantial loan funds, they have not been fully used. For a variety of reasons, students hesitate to encumber themselves with substantial loans that need to be paid off in the future. They may hesitate to launch upon a career with this type of obligation hanging over them. Having incurred this debt, they may find it difficult to borrow additional funds needed to set up an

office or in other ways get launched on some enterprise or occupation of their own. Students who anticipate going into low-paid careers, as in the ministry, in social service, in teaching, and in many phases of public service, can ill afford to obligate themselves for annual payments on loans. Women students may be especially hesitant to undertake obligations which later might have to be assumed by their husbands.

From the social point of view, there should not be pressure upon the student to select a high-paying occupation in order to make it easier to pay off an obligation. Finally, the assumption that underlies the loan plan, namely, that the student should pay a large part of the cost of his education, is contrary to the needs in society today. Such a policy would impede the attendance of students at college rather than encourage attendance. It would penalize students from lower-income families because these persons would begin their careers with substantial debt whereas other students would not.

It will easily be discerned that I strongly favor stemming the tide of rising costs to the students and doing anything we can to reverse it. I feel strongly that such action would be in accord with the American principle of opportunity. It would be in accord with our concept of free public education, including higher education, which was implied in the wording of the Northwest Ordinance. It would be consistent with the reasoning of the Supreme Court of Michigan in the 1872 Kalamazoo case which decided once and for all that it was appropriate and legitimate to use public funds to establish free high schools. It would be in accord with the constitutions of the several states that prohibit the public institutions from charging tuition.

In view of the public concern about the progress being made in Soviet Russia in the education of technicians, engineers, and scientific personnel, we

need to consider seriously the trends of increasing costs to the students in the United States. Inasmuch as Soviet Russia provides free higher education and indeed provides the student with money to cover additional living costs, may we not fall seriously behind her in our search for talent if we do not keep education low in cost to the student? Far from emulating Soviet Russia, this would merely be a return to our earlier and traditional policy.

Lest I leave too gloomy a picture about the financial barriers to the education of youth, I should like to summarize a few encouraging trends:

1. As noted earlier, the National Defense Education Act of 1958 represents the enunciation of a new policy by our Federal Government and is an encouraging step in a new direction.

2. A number of new scholarship programs have been launched in recent years and the total sums available for student scholarships have been substantially increased. The programs are too numerous to give in detail but mention should be made of those established by various corporations, of the scholarships of the National Merit Scholarship Foundation, of the enlargements that have been made in several state scholarship programs including New York, California, and Illinois, and of the generous fellowships being given by the National Science Foundation.

3. The actions of the American Association of Land-Grant Colleges and State Universities and the State Universities Association in opposing proposals which would cause students to pay more of the cost of their education, and in publicizing the dangers inherent in such proposals, deserve commendation.

4. The public community college movement is growing rapidly. Being free or low in cost, and serving students who continue to live at home, this type of college is a most promising development toward the removal of economic barriers. Regionally placed public four-year colleges and universities make similar contributions.